

**806 KAR 7:030. Finance committee of domestic insurers.**

RELATES TO: KRS 304.7-040

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.7-040 prohibits an insurer from making any investment or loan without approval of his finance or executive committee, or the approval of a majority of its directors present at a duly held meeting of directors. The function of this administrative regulation is to cause insurers transacting business of insurance within the Commonwealth of Kentucky to put the Executive Director of Insurance on notice of the names of the members of finance and executive committees of their company.

Section 1. The executive or finance committee or the board of directors of a domestic insurer shall be charged with the duty of the prior consideration and approval of the investment policy of the insurer.

Section 2. Each insurer shall, with each annual statement report, file with the executive director the names of the members of any finance or executive committee which has, during the preceding year, exercised the authority to approve investments or investment policy.

Section 3. Such filing shall be accompanied by an affidavit signed by a financial officer of the insurer or its president, to the effect that the members of such committee or committees have been advised as to the requirements of Subtitle 7 of KRS Chapter 304, administrative regulations, and other pertinent provisions of law applicable to investments or investment policy submitted for their approval. (I-7.03; 1 Ky.R. 859; eff. 5-14-75; TAm eff. 8-9-2007.)